

Minutes
Board of Trustees Meeting
University of Central Florida
May 22, 2008

In the absence of Chair Richard Walsh and Vice Chair Tom Yochum, Corporate Secretary John Hitt called the meeting of the Board of Trustees to order in the Live Oak Center on the University of Central Florida campus at 1:26 p.m. The following members attended the meeting:

The Honorable Judith A. Albertson
The Honorable Logan Berkowitz
The Honorable Olga M. Calvet
The Honorable Manoj Chopra
The Honorable Patrick Christiansen

The Honorable Alan Florez
The Honorable Micky Grindstaff
The Honorable Phyllis Klock
The Honorable Harris Rosen
The Honorable Conrad Santiago

WELCOME

Corporate Secretary Hitt welcomed the board members and called for approval of the minutes of the March 18, 2008, board meeting. The minutes were approved as written.

Hitt called on Dan Holsenbeck, Vice President for University Relations, to introduce Dan Webster, State Senate Majority Leader, and the 2008 UCF Legislative Scholar interns: DeOnte Brown, Justin Collins, Jamie Moellentine, Victoria Paterson, Robert Putnam, Raymond Stephens, and Jillian Strong.

Hitt welcomed new trustee, Logan Berkowitz, and presented him with a gold Pegasus pin. Berkowitz replaces Trustee Brandie Hollinger on the board and serves by virtue of his office as the president of the Student Government Association.

REMARKS AND INTRODUCTIONS

Corporate Secretary Hitt announced the Pegasus Professors for 2008: Dr. Eduardo Salas and Dr. Mary Lou Sole. The Pegasus Professor Award is the highest honor UCF bestows upon a faculty member. It recognizes those who consistently demonstrate excellence in teaching, research, and service to the students, the community, and to the profession. Dr. Salas is a member of the UCF Psychology Department, the Institute for Simulation and Training, and holder of a trustee chair in industrial and organizational psychology. He helps organizations improve teamwork and develop procedures for making effective decisions in stressful environments. He designs tools and strategies to minimize human errors in aviation, law enforcement, and medical environments, including the UCF College of Medicine. Salas is known as a leader within national and international research communities and, since 1999, has earned about \$20 million in external grants and contracts. In 2002, he was named UCF Researcher of the Year.

Dr. Sole, a professor in the UCF College of Nursing since 1991, specializes in critical care. Her research contributions include studies of ventilator-associated pneumonia, airway management, and mechanical ventilation. Sole was influential in establishing the master's and doctoral programs in the UCF College of Nursing. Today, she coordinates the Clinical Nurse Specialist graduate program, and she recently helped found the Clinical Nurse Leader graduate program. Sole has received numerous UCF honors, including the Excellence in Undergraduate Teaching Award, the Excellence in Professional Service Award, and the Excellence in Research Award, which she has won twice. Hitt congratulated these two Pegasus Professors for 2008.

Hitt also announced that Dr. Michael Leuenberger, assistant professor of theoretical physics in the UCF NanoScience Technology Center, has received the prestigious Young Faculty Award from the Defense Advanced Research Projects Agency, the central research and development organization for the Department of Defense. Hitt congratulated Dr. Leuenberger on this achievement and wished him success in this new endeavor.

Hitt introduced the following outstanding students: Paul Stokes, a graduate research assistant with the NanoScience Technology Center and the Physics Department, who was selected as one of 60 participants from the U.S. who will attend the 58th meeting of Nobel Prize winners in physics at the Lindau Nobel Laureate meeting in Lindau, Germany, June 29-July 4, 2008; James Martin, a junior majoring in physics and a member of the Research Experiences for Undergraduates program, who will receive a gold Congressional Award medal in June at the Capitol Building in Washington, D.C.; Ashley Ewh, a junior mechanical engineering major who maintains a 3.88 G.P.A., who works in the lab of Dr. Yongho Sohn, plans to pursue a Ph.D. in materials science and engineering, and was recognized as a 2008 Goldwater Scholar; and Christopher Estoch, a junior majoring in political science, who was recently awarded a Pickering Undergraduate Foreign Affairs Fellowship. Estoch is a member of the Burnett Honors College and an Honors in the Major student working with Dr. Houman Sadri on a research project investigating strategic weapons in the 21st century. He is also an intern in the Global Perspectives office.

Hitt recognized the UCF women's softball team for its winning season and great performance at the recent NCAA Gainesville Regional softball tournament. Although the team lost the second of two games to number one-ranked University of Florida, it broke the Gators' long winning streak, upsetting them 1-0 in the first game of the tournament. The Knights finished the 2008 season with 49 wins, a program record. He extended his sincere congratulations to the team and to its coaches, Renee Gillespie, Beth Watson, and Tracy Coffman.

Hitt introduced the Employee of the Month for March, Carmen Afonso, an executive secretary in the Office of Diversity Initiatives, and the Employee of the Month for April, Valda Ramdial, a recruiting coordinator with Career Services. He asked the audience to join him in congratulating all of these outstanding members of the UCF family.

And finally, Hitt announced that after 40 years with the university, and 15 years working with him, Beth Barnes, Vice President and Chief of Staff, will be retiring on December 18. Hitt thanked Barnes for her dedicated and excellent service to the university, the board, and to his office and told her she would truly be missed. He also announced that her replacement will be Dr. John Schell (not present), who is currently vice provost for academic affairs. Schell received his Ph.D. from Vanderbilt University and came to the university in 1987 from the University of Arkansas to serve as the chair of the English Department. More recently, he served as dean of undergraduate studies and was instrumental in developing the UCF undergraduate research initiative.

BUSINESS MEETING

Members of the board of trustees voted Trustee Patrick Christiansen acting chair to serve in the absence of Chair Rick Walsh.

CONSENT AGENDA

Acting Chair Pat Christiansen called for approval of the consent agenda. A motion was made by Trustee Logan Berkowitz and members of the board concurred. The approved consent agenda included the following items:

- **BOT-2 2009 BOT Meeting Dates** – The 2009 Board of Trustees’ meetings are scheduled as follows, but are subject to change pending revisions of the Board of Governors’ meeting schedule:
 - January 22, 2009 – Thursday
 - March 19, 2009 – Tuesday [correction—Thursday]
 - May 21, 2009 – Thursday
 - July 23, 2009 – Thursday
 - September 17, 2009 – Thursday
 - November 19, 2009 - Thursday
- **BOT-3 Equity Accountability Program** – Approval of the Equity Accountability Plan Narrative Progress Report and Update 2006-2007. The Office of Equal Opportunity/Affirmative Action Programs submitted a report on the progress made toward improving diversity during 2006-07 and the steps taken to achieve 2007-08 employment goals.
- **BOT-4 Revision in University of Central Florida Parking Rules** – Approval of amendments to existing university rules regarding campus parking, including a 5% increase in parking fees and an increase in the campus transportation access fee to \$7.59 per credit hour.

- **EP-1 2009-2010 Proposed Academic Calendar** – Approval of UCF’s 2009-2010 proposed academic calendar. Calendars are reviewed and approved by the Board of Governors’ staff to ensure that the university has followed the guidelines established in Rule 6C-8.001. The provost approved the 2009-2010 calendar developed by the UCF Academic Calendar Committee and the board of trustees granted final approval.
- **EP-2 Educational Programs Committee Charter** – Approval of the charter for the Educational Programs Committee of the board of trustees.
- **EP-3 Tenure Recommendations** – Approval of the 2008 faculty tenure nominations.
- **FIN-1 Tuition Waiver and Rate Policy for Graduate Assistants and Fellows**– Approval to replace the tuition policy approved May 25, 2006, for graduate assistants and graduate fellows with a new policy to be effective Fall 2009. The proposed policy changes will apply to all graduate assistants and graduate fellows who are enrolled full-time in graduate study and receiving competitive stipends.
- **NOM-1 Trustee Emeritus Policy** – Approval of a policy to confer *trustee emeritus* status on selected former trustees of the University of Central Florida in recognition of their distinguished service to the university.

GENERAL BUSINESS

- **BOT-1 University of Central Florida Board of Trustees’ Committee Appointments** – The board may establish committees to assist in carrying out its responsibilities. The board chair has determined the membership of the committees and their chairs. For information only, the board received a list of 2008 committee assignments.

ADVANCEMENT COMMITTEE REPORT

Trustee Alan Florez, chair of the Advancement Committee, reported that the committee had no action items to consider and reported the following:

- Philanthropy year-end projections were presented by Robert Holmes, Vice President for Alumni Relations & Development.
- The UCF Foundation reported \$42 million in booked gifts from 14,000 donors, approximately \$1 million behind the total this same time last year.
- Holmes anticipated reaching \$45 to \$46 million in gift-giving and 16,000 donors by year-end.
- The Foundation retained the firm of Marts & Lundy to assess its alumni relations and development operations.

- Alumni support was up over last year for the academic annual fund.
- Alumni Association membership is increasing because of a new program involving graduation regalia. When students rent their caps and gowns, their rental automatically includes a one-year Alumni Association membership.
- Annual support for Athletics is \$300,000 ahead of this time last year.
- Holmes reported that the number of donors continues to track on a par with last year and that the state of the economy has yet to show an overall negative impact on broad-based giving.
- Dan Holsenbeck, Vice President for University Relations, reported that the differential tuition bill was passed in the House and Senate and was in the hands of the governor. UCF qualified for differential tuition.
- UCF Centers for Excellence were not funded by the legislature; instead, energy efficiency centers were funded for five state universities.
- Holsenbeck reported that a strong case was made to the legislature for the Partnership III Building, which is on the UCF 2008-2009 PECO project list.
- Trustee Florez thanked Holsenbeck for his outstanding work with the legislature.

AUDIT AND OPERATIONS REVIEW COMMITTEE REPORT

Trustee Olga Calvet, chair of the Audit and Operations Review Committee, reported on the discussions in the April 17, 2008, committee meeting:

- Following a request from Trustee Pat Christiansen, a copy of the university's operational audit report from the Auditor General was given to the UCFAA, Inc., board members prior to its April 22 meeting.
- Fraud prevention training for college budget staff has begun and will be ongoing.
- A management self-assessment tool is being developed in accordance with the Sarbanes Oxley Act, which outlines control requirements for public companies. The tool will be used to understand the controls in place across campus and help ensure that all staff and departments are following appropriate procedures and guidelines.
- Amy Voelker, Director of Audit, gave a brief report on the Auditor General's operational, federal financial, financial, and Bright Futures audits. Trustees will receive copies of each audit report directly from the Auditor General.
- Voelker discussed the various management assessment activities and the internal audit plan. The five-year plan will be presented to the committee members for comments in May.
- Trustee Pat Christiansen informed the committee of a new filing requirement for the IRS 990 form. This includes Form 990T that is prepared by the university. Either the Finance or the Audit Committee should review the form before being presented to the full board. The board will also be responsible for reviewing the 990 forms for the university's direct support organizations. These forms do not have to be filed until 2009.

EDUCATIONAL PROGRAMS COMMITTEE REPORT

Trustee Judy Albertson, chair of the Educational Programs Committee, reported on the discussions in the committee meeting:

- The Board of Governors is expected to devolve graduate admissions criteria to the university boards of trustees.
- One proposed exception to the admission policy would be removing the GRE and GMAT requirements from master's degree programs. Doctoral programs would also be able to waive the GRE or GMAT requirements for students with a master's degree.
- These exceptions would allow UCF to recruit and retain more high-quality graduate students by offering them competitive financial support packages to include full tuition coverage for all graduate fellows and graduate assistants who have individual appointments of at least 20 hours per week. In addition, the university plans to provide a health insurance subsidy for all graduate assistants.

FACILITIES PLANNING COMMITTEE REPORT

Trustee Pat Christiansen, chair of the Facilities Planning Committee, presented the following item for board approval and reported on the discussions in the committee meeting:

- **FP-1 & FIN-5 2008-2009 Capital Outlay Budget** – A motion was made by Trustee Santiago and passed by the board to approve the university's 2008-2009 capital outlay budget and to authorize the president to make adjustments as necessary during the year to the 2008-2009 capital outlay budget.
- The former Pi Kappa Alpha fraternity house on campus has been demolished. Plans include building one or more Greek houses in its place.
- William Merck, Vice President for Administration and Finance, and Lee Kernek, Associate Vice President for Administration and Finance, gave a master plan process update. The revised master plan for 2010 will be brought before the board in 2009 for approval.
- The Burnett Building for Biomedical Sciences at the College of Medicine's Lake Nona campus is proceeding on time and under budget.
- Foundation excavation is expected to begin on the College of Medicine building in the next few weeks. Students will move into that building in 2010. Both buildings are designed to meet Leadership in Energy and Environmental Design standards.
- The committee approved its Facilities Planning Committee Charter with revisions. The revised charter will be brought back to the board for approval at the next meeting.

FINANCE COMMITTEE REPORT

Trustee Conrad Santiago, chair of the Finance Committee, reported on the discussions in the committee meeting and presented the following items for board approval:

- Vanessa Fortier, Associate Vice President for Administration and Finance, gave a budget and tuition update and an overview of comparative tuition information with peer universities.
- Merck also gave a support agreement fund balances report, stating that the fund balances are in good shape, with a coverage ratio of 7.5 times coverage compared to the required 2.5 times coverage.
- Merck also reviewed all outstanding debt for the university. Trustee Santiago requested that John Pittman, Director of Financial Services, review UCF's revenue bonds to determine if there are any favorable options for refinancing.
- Trustee Christiansen suggested adding a column in the debt report to show an amount available for draws under any lines of credit, and the committee requested that this addition become a part of the quarterly report, as well.
- **FIN-2 Investment Policy** – A motion was made by Trustee Santiago and passed by the board to approve an investment policy for the university and for university direct support organizations that do not have an investment policy. With devolution, the state universities were given the responsibility of investing funds that are being held to meet current expenses, as well as the excess funds required to meet current expenses. Florida statutes limit the universities' options for investing funds in the absence of a board of trustee-approved investment policy. This policy will allow the university greater flexibility in investing its funds.
- **FIN-3 College of Medicine Faculty Practice Plan** – A motion was made by Trustee Santiago and passed by the board to approve the implementation of the College of Medicine Faculty Practice Plan and to authorize allocation of funds to support that activity. The estimated external funding needed to supplement the plan over the next seven years is \$7 million. The university plans to use funds that will be available from the lease of university-held broadband rights to fund this program.
- **FIN-4 College of Medicine Faculty Practice Plan Self-Insurance Plan** – A motion was made by Trustee Santiago and passed by the board to establish and fund a self-insurance program to cover the risks of professional liability that arise in operating a faculty practice plan. Approximately \$3 million will be needed over the next three years to establish capital reserves for the self-insurance program.

- **FIN-6 Fall 2008 Tuition, Out-of-State Fees & Financial Aid Fees** – The Board of Governors and the legislature have established a 6% tuition increase for undergraduate resident students, effective Fall 2008. In addition, differential tuition of up to \$6.96 per credit hour may be charged to undergraduate students. Tuition and out-of-state fees for graduate and non-resident students may be set by each university board of trustees as delegated by the Board of Governors.

A motion was made by Trustee Santiago and passed by the board to approve the following tuition, differential tuition, non-resident fees, and financial aid fees for undergraduate and graduate students for Fall 2008:

	<u>Current</u>	<u>Fall 2008 (Proposed)</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Undergraduate tuition	\$ 77.39	\$ 82.03	\$ 4.64	6.0%
Undergraduate differential tuition	-	2.32	2.32	-
Undergraduate out-of-state fee	450.84	491.41	40.57	9.0%
Graduate tuition	217.95	237.56	19.61	9.0%
Doctor of Physical Therapy tuition	374.00	407.66	33.66	9.0%
Graduate out-of-state fee	692.63	754.96	62.33	9.0%
Undergraduate resident financial aid fee	3.86	4.10	0.24	6.2%
Undergraduate non-resident financial aid fee	22.54	24.57	2.03	9.0%
Graduate resident financial aid fee	10.89	11.87	0.98	9.0%
Doctor of Physical Therapy financial aid fee	10.89	20.38	9.49	87.1%
Graduate non-resident financial aid fee	34.63	37.74	3.11	9.0%

These increases are subject to approval of the appropriate legislation by the governor and adoption of revised differential tuition language by the Board of Governors.

FIN-7 Distance Learning Course Fee – A motion was made by Trustee Santiago and passed by the board to approve establishing a distance learning course fee. During the 2008 legislative session, the legislature amended Section 1009.24, F.S., providing explicit authorization for state universities to charge a per-credit hour distance learning course fee. The recommended fee of \$18 per credit hour for a distance-learning course was based on the development and delivery costs of UCF’s fully online and blended learning courses during FY 2007-2008, and the total student credit hours generated through these delivery modalities.

- **FIN-8 2008-2009 Operating Budget** – A motion was made by Trustee Santiago and passed by the board to approve the university’s 2008-2009 operating budgets for the Educational and General, Auxiliary Enterprises, Sponsored Research, Student Financial Aid, Student Activities, and Concessions areas. The Educational and General budget reflects the amounts proposed by the legislature and is subject to approval by the governor. All other budgets were compiled using requests from individual departments and a review of expected revenue, expenditures, and fund balances for each area.
- **FIN-9 Finance and Purchase of Sigma Alpha Epsilon and Sigma Phi Epsilon Fraternity Houses** – Until financing has been finalized, this item has been deferred to a future meeting.

NOMINATING COMMITTEE REPORT

Trustee Phyllis Klock, chair of the Nominating Committee, reported on the discussions in the April 29, 2008, committee meeting:

- The *Trustee Emeritus* policy was adopted by the committee and approved by the board in the consent agenda.
- The committee continued discussions on a set of critical success factors it will develop as part of a presidential search.
- The committee will use this set of critical success factors as a springboard to begin development of a leadership statement defining the qualities the search committee would seek in a presidential candidate.
- The committee also turned its attention to the development of the process statement, which confirmed that, when needed, a search consultant and search firm would be engaged for the presidential search.
- Discussions also took place regarding the size and composition of the search committee with particular emphasis on the challenge of balancing the desire for broad representation of all the constituencies with timeliness, efficiency, and confidentiality needed to attract the optimum candidate.
- Trustee Klock reported that committee discussions will be continued in June.
- Klock also referenced the committee charge of providing input for the consideration of reappointments to the board of trustees by the governor. Currently, staff is tracking participation of members of committees. As a help to the nominating committee, Klock requested that those involved in maintaining records for committee participation begin tracking participation of non-members, as well.

NEW BUSINESS

Acting Chair Pat Christiansen gave a report on the National Meeting of the Association of Governing Boards' trustees meetings in Boston. He reported he was very pleased with the materials that were provided and with the seminars he attended.

ANNOUNCEMENTS AND ADJOURNMENT

President Hitt announced that freshman enrollment has been frozen for Fall 2008. Even so, he reported, the anticipated enrollment for the fall should be approximately 700 more than last year for a total approximate enrollment of 49,300 students. He also reported that there should be some improvement in average SAT scores and that the total number of National Merit Scholars should reach 60-66, as compared to 43 last year. "In terms of quality, it appears we will have another good year," stated Hitt.

The next Board of Governors' meeting will be June 18-19, 2008, in the UCF Live Oak Center, and the next Board of Trustees' meeting will be Thursday, July 24, 2008, in the Cape Florida Ballroom of the UCF Student Union.

The 2008 Educational Programs Committee Program Review Workshop will be held July 21, 2008, 9:00-12:00 a.m., in Millican Hall, Room 395E.

With no further business to discuss, Acting Chair Christiansen adjourned the board meeting at 2:58 p.m.

Respectfully submitted: _____ Date: _____

John C. Hitt
Corporate Secretary